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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 003085

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SUBJECT: AMBASSADOR GOLDBERG'S VISIT TO TARIJA

REF: LA PAZ 3056

Classified By: Amb. Philip S. Goldberg for reasons 1.4 (b) and (d).

SUMMARY

¶1. (U) Ambassador Goldberg made his first official visit to the city of Tarija November 6-7. During the two-day trip the Ambassador met with national and local Tarijeno politicians, the Tarija city council, businessmen, academics, Fulbright alumni, Peace Corp volunteers, and farmers. The city council declared the Ambassador a "guest of honor". The Ambassador also signed a \$10 million MOU with the Prefect for a USAID sponsored program to improve rural indigenous housing and fight Chagas disease. End summary.

BACKGROUND

¶2. (U) On November 6-7 Ambassador made his first official visit to Tarija, capital city of the department of Tarija. The department is an opposition strong hold, with both the prefect and mayor from opposition parties. Tarija is one of Bolivia's wealthiest departments. It is estimated to possess eighty percent of Bolivia's natural gas reserves (in the Chaco region) and currently accounts for seventy percent of the country's natural gas production. In addition, the department has a thriving agricultural sector, in particular a rapidly growing wine industry.

MEETING WITH MAYOR

¶3. (C) The Ambassador met with Tarija Mayor Oscar Montes, a popular mayor who was re-elected in 2004. The mayor pointed out to the Ambassador that Tarija is the only department that voted to be a part of Bolivia. In 1547 the Tarija elected to be a part of Bolivia versus Argentina, a decision that "at the time seemed like the best one" according to Montes. Montes stated that "we Tarijenos need to stop blaming La Paz for all of our problems". He lamented the fact that there is no united opposition to the MAS, saying "I am more worried about the fact that there is no opposition to stop the MAS than about the MAS itself. The MAS has a clear timetable and

an agenda to turn Bolivia into another Cuba, and it plans to stick with it. If the MAS gets everything through the Constituent Assembly then it will be too late."

A NEW GEOGRAPHICAL ALLIANCE?

14. (C) With this in mind, the mayor said, he has been talking with Potosi Mayor Rene Joaquin about creating a new group, an alternative to MAS and the "media luna" (Santa Cruz, Tarija, Pando, Beni), called the Southern Alliance (Alianza Sur). The Southern Alliance would be composed of the departments of Tarija, Potosi, and Chuquisaca. The idea is to break the east-west divide that has polarized Bolivia. The Southern Alliance, according to Montes, will be a unifier "encompassing the highlands of the west and the eastern wealthier departments." "If we propose good projects for the Southern Alliance", the mayor said, "then all of the other departments will support it because it will be good for them too." When asked about the possibility of Montes running as vice president on a Joaquin ticket, Montes replied that he had not decided.

RELATIONS WITH THE USG

15. (C) Ambassador asked Montes for his opinion of the U.S.-Bolivia relationship. Montes said that the common Bolivian associates the U.S. with cocaine. There is a perception, he said, "that all aid is concentrated around the drug growing area of the Chapare." He recommended that the USG make democracy its priority in Bolivia and asked the Ambassador to concentrate on reaching out to mayors throughout the country. "If democracy is to be preserved in

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Bolivia, it will come from the mayoral level." He requested support for democracy building programs.

MEETING WITH PREFECT

16. (C) In a subsequent meeting, Tarija Prefect Joaquin Cossio thanked the Ambassador for the department's good relationship with the USG, and especially for USAID support. He told the Ambassador that "there needs to be change in Bolivia." "The difference is what that change will be: centralized totalitarianism or democratic autonomy." Cossio said his strategy for dealing with the national government is to avoid direct confrontation, but rather "reinforce the democratic prefectural process." Cossio expressed his concern that the GOB want the prefects, who were directly elected for the first time, "to fail so Evo can push us aside." Cossio proudly explained to the Ambassador that Tarija had just instituted free universal health care for all citizens age 0 - 18. The Ambassador and Prefect then participated in a signing ceremony for a \$10 million MOU for a USAID sponsored program to improve rural indigenous housing and fight Chagas disease. The prefect told the Ambassador that he looked forward to continuing to work with the mission on future projects.

FULBRIGHTERS EXPRESS CONCERN

17. (C) The Ambassador also met with a dozen Fulbright alumni who expressed their concern about the anti-democratic tendencies. "We are very concerned about the future", one alumni told Emboff, "those in Tarija with possibilities have already bought their homes in Argentina in case something happens here." "And yet more are going to Spain."

COMMENT

18. (C) Tarija, one of the wealthiest of Bolivia's nine departments, is still run by the traditional elite. There is a strong sense of concern about the anti-democratic course the MAS appears to be taking and the implications for Tarija autonomy. It should be noted that Tarija voted forty percent for the MAS in the July Constituent Assembly election and

sixty percent in favor of autonomy. Both the mayor and the prefect have designs on becoming national leaders and presenting themselves as Evo alternatives. End Comment.

GOLDBERG